EXHIBIT NO 2

DATE 4/15/13

BALL NO HB 39

Amendments to House Bill No. 39 3rd Reading Copy

For the Senate Education and Cultural Resources Committee

Prepared by Pad McCracken April 15, 2013 (4:36pm)

1. Title, page 1, line 15.

Following: "20-9-517,"

Insert: "20-9-517,"

2. Page 12.

Following: line 3

Insert: "Section 5. Section 20-9-517, MCA, is amended to read:

"20-9-517. (Effective July 1, 2013) State school oil and natural gas impact account. (1) There is a state school oil and natural gas impact account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to provide money to schools that are not receiving oil and natural gas production taxes under 15-36-331 but are impacted by contiguous counties that are benefiting from receipt of oil and natural gas production taxes.

- (2) There must be deposited in the account oil and natural gas production taxes, if any, pursuant to 20-9-310(7) and any amounts pursuant to 20-9-104(6).
- (3) A school district may apply to the superintendent of public instruction for funds from the account for circumstances that are directly related to impacts resulting from the development or cessation of development of oil and natural gas as follows:
- (a) an unusual enrollment increase as determined pursuant to $\underline{20-9-161}$ and $\underline{20-9-314}$;
 - (b) an unusual enrollment decrease;
 - (c) higher rates of student mobility;
- (b)(d) a district's need to hire new teachers or staff as a result of increased enrollment;
- $\frac{\text{(c)}(\text{e})}{\text{(e)}}$ the opening or reopening of an elementary or high school approved by the superintendent of public instruction pursuant to 20-6-502 or 20-6-503; or
 - (d) (f) major maintenance for a school or district.
- (4) In reviewing an applicant's request for funding, the superintendent of public instruction shall consider the following:
 - (a) the local district's or school's need;
 - (b) the severity of the energy development impacts;
 - (c) availability of funds in the account; and
- (d) the applicant district's ability to meet the needs identified in subsection (3).
 - (5) The superintendent of public instruction shall adopt

rules necessary to implement the application and distribution process.

(6) The amount in the account may not exceed \$7.5 million. Any amount over \$7.5 million must be deposited in the state general fund."

{Internal References to 20-9-517: 20-9-104 ok 20-9-310 ok}"

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Renumber: subsequent sections

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